

AN ORDINANCE

99438

**AUTHORIZING AND CONSENTING TO THE CANCELLATION
OF THE EXISTING CONCESSION AGREEMENT FOR SPACE
238 OF DUTY FREE OF SAN ANTONIO-NEWS AND GIFT
SHOPS INTERNATIONAL SAN ANTONIO PARTNERSHIP
(DFSA/NGSI) AT SAN ANTONIO INTERNATIONAL AIRPORT.**

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WHEREAS, Ordinance 95351, passed and approved by City Council on February 22, 2002, awarded a concession contract to Duty Free of San Antonio-News and Gift Shops International (DFSA/NGSI – San Antonio) for the concession Spaces 204, 260, 262, and an option for Space 238, Terminal Two, at the San Antonio International Airport; and

WHEREAS, as a result of decreased enplanements in Terminal Two, opening Space 238 will cause the partnership increased difficulty in generating revenue due to the reduced sales from the three (3) existing DFSA/NGSI locations; and

WHEREAS, the Concessionaire has consequently requested a cancellation of the Agreement; and

WHEREAS, the cancellation of the concessions agreement covering Space 238 will eliminate the current encumbrance on the space and allow for the opening of a second business center in Terminal Two; and

WHEREAS, the cancellation of the DFSA/NGSI – San Antonio lease for Space 238 will eliminate the Minimum Annual Guaranteed rent of \$68,000.00; and

WHEREAS, the lost Minimum Annual Guarantee will be mitigated by increased sales generated by the existing DFSA/NGSI San Antonio Partnership locations at the San Antonio International Airport; **NOW THEREFORE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

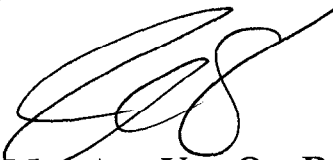
SECTION 1. The City Manager or her designee is authorized to execute such documents necessary to cancel the existing Concession Agreement for Space 238 with Duty Free of San Antonio – News and Gift Shop International which are attached hereto and incorporated herein by reference as Attachment 1.

SECTION 2. This Ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED THIS 24th DAY OF June, 2004.

ATTEST:

Leticia M. Vazquez
City Clerk

for 
M A Y O R
EDWARD D. GARZA

APPROVED AS TO FORM:

Mr. Zetser
for City Attorney